



# राजपत्र, हिमाचल प्रदेश (असाधारण)

हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

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शिमला, वीरवार, 31 मार्च, 2005/10 चैत्र, 1927

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हिमाचल प्रदेश सरकार

**EXCISE AND TAXATION DEPARTMENT**

**NOTIFICATION**

*Shimla-171002, the 30<sup>th</sup> March, 2005*

**No. EXN-F(1)2/2004 (i)** .—In exercise of the powers conferred by sub-section (1) of section 42 of the Himachal Pradesh General Sales Tax Act, 1968 (Act No. 24 of 1968), the Governor of Himachal Pradesh is pleased to direct that no tax shall be levied under section 6 of the aforesaid Act on the sale of goods [other than those manufactured by

breweries, distilleries, non-fruit/ vegetable based wineries and bottling plants (both of country liquor and Indian made foreign liquor)] manufactured by the dealers running any new industrial units and or existing industrial units as on 7.1.2003 located in the tax free industrial zone, for a period of 10 years from the date of commencement of commercial production or from the date of this notification, whichever is later. The exemption from the payment of sales tax shall be admissible to the concerned industrial unit, only if,—

- (i) the eligible industrial unit files by the 30<sup>th</sup> April every year with the appropriate Assessing Authority a certificate in Form R.M. II prescribed by the Himachal Pradesh Government Excise and Taxation Department's Notification No. 1-12/73- E&T-III, dated 7.2.1992 and published in Rajpatra, Himachal Pradesh (Extra-ordinary) on 12.2.1992 issued by the authority specified therein;
- (ii) all the goods are not only manufactured but also sold by the dealers (manufacturers) themselves and it shall not be open for finished goods purchased or acquired by concerned industrial units for re-sale in Himachal Pradesh;
- (iii) it has been registered as a dealer under the Himachal Pradesh General Sales Tax Act, 1968, for manufacture of goods for sale;
- (iv) it (registered dealer) complies with the provisions of (a) the Himachal Pradesh General Sales Tax Act, 1968, (b) the Central Sales Tax Act, 1956, and (c) the rules, including the scheme, if any made, the notification, and orders issued, under these Acts;
- (v) it is located in the tax free industrial zone, employs atleast 70 per cent of its total manpower employment from amongst the

***bonafide*** Himachalis. In case of any violation of this condition at any point of time during the period of this by the concerned Industrial unit, no further exemption will be admissible to it and in such an event all incentives already availed by such unit will be recovered and such unit will be liable for stringent action;

- (vi) it has obtained a certificate in Form 'I' prescribed under this Department notification No.EXN-F(1)2/2004(iii) dated 30<sup>th</sup> March, 2005 from the General Manager, District Industries Centre of the Department of Industries of the Government of Himachal Pradesh where the industrial unit is registered or in other case from the Director of Industries, Himachal Pradesh or his nominee duly authorised, in writing, in this behalf, and has furnished the same certificate to the Assessing Authority for the grant of the certificate in form 'E' appended as Annexure 'A' to this notification;
- (vii) the existing industrial unit had undertaken substantial expansion after 7.1.2003;
- (viii) it has been granted the certificate in form 'E' by the Assessing Authority;
- (ix) the certificate in Form 'E' continues to remain operative and it has not been withdrawn or cancelled by the prescribed authority or is not annulled or quashed in any appellate, revisional or other proceedings; and
- (x) all the eligible new industrial units and the existing industrial units which were in existence as on 7.1.2003 including the industrial units falling in the negative list notified *vide* this Department notification No. EXN-F(1)2/2004(iii) Dated 30<sup>th</sup> March, 2005.

*Explanation I.*— The employment condition specified in sub-para (v) shall not be applicable to new industrial units employing only one employee located any where in the tax free Industrial zone and the units which are self employed ventures where the owner is running the unit without employing any manpower.

*Explanation II.*— For the purposes of this notification,—

- (i) ‘tax free Industrial zone’ means all tribal areas notified by the competent authority and includes all Tribal Development Blocks and Development Blocks mentioned under this category in the Rules Regarding Grant of Incentives, Concessions and Facilities to Industrial units in H.P. 2004;
- (ii) ‘new industrial unit’ means an industrial unit located in Himachal Pradesh which commenced/commences commercial production on or after 31.12.2004, but will not include any industrial unit which is formed as a result of re-establishment, mere change of ownership, change in the constitution, re-structuring or revival of an existing industrial unit;
- (iii) ‘existing industrial unit’ means an industrial unit which commenced production before 31.12.2004;
- (iv) ‘substantial expansion’ in respect of the industrial unit existing before 7.1.2003, means substantial expansion undertaken by way of increase in installed capacity of the existing unit by not less than 25% of the capacity, which should be the result of installation of additional plant and machinery and the Industrial unit comes into commercial production from such expanded period of the capacity, not later than 31.3.2007 subject to the fulfilment of the condition that such expansion shall result in

additional employment of atleast 25% ( excluding employment contractual/on sub-contractual basis ) of the existing manpower employed on regular basis and further that it will continue to employ at all levels, atleast 70% of its total manpower whether on regular basis or daily basis or contractual / sub- contractual basis or by any other mode from amongst the bonafide Himachalis.

- (v) the expression 'negative list' shall have the same meaning as assigned to it by this Department notification No.EXN-F(1)2/2004(iii) dated 30th March, 2005.

The Governor is further please to direct that the notification No.EXN-F(9)2/99(i) dated 23-7-1999 published in Rajpatra, Himachal Pradesh (Extra ordinary) dated 27.07.1999, issued in this behalf shall stand superseded.

**ANNEXURE 'A'**  
**FORM 'E'**  
[See para 1 (vi)]

*(To be issued by the appropriate Assessing Authority of the District concerned)*

No. \_\_\_\_\_

This is to certify \_\_\_\_\_ (name of the dealer with place of business), who has furnished a certificate in Form I from the specified authority has been registered as a dealer under the Himachal Pradesh General Sales Tax Act, 1968, against Registration Certificate No. \_\_\_\_\_ in \_\_\_\_\_ district and the dealer is an industrial unit \_\_\_\_\_ (specify

the category) and is covered by para \_\_\_\_\_ (specify the para of the Notification) of the Government of Himachal Pradesh, Excise and Taxation Department, Notification No. \_\_\_\_\_ dated \_\_\_\_\_.

2. This is to further certify that subject to the compliance of terms and conditions specified in the above notification, the dealer is entitled to exemption for a period of \_\_\_\_\_ years as the industrial unit of the dealer is located in tax free zone.

3. This certificate shall be valid from \_\_\_\_\_ to \_\_\_\_\_.

Place \_\_\_\_\_

Dated \_\_\_\_\_

*Assessing Authority,*

*District \_\_\_\_\_*

(Seal of Assessing Authority)

By order,

Sd/-

*Principal Secretary (E&T)*

*to the Government of Himachal Pradesh.*